

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
Room N1058
Indianapolis, Indiana 46204

IN THE MATTER OF THE TIPTON COMMUNITY)
SCHOOL CORPORATION, TIPTON COUNTY, INDIANA,)
FOR APPROVAL OF A LEASE WITH THE TIPTON) NO. 07-042
COMMUNITY SCHOOL BUILDING CORPORATION)

A petition was filed by the above named taxing unit for approval of a lease between the Tipton Community School Building Corporation, an Indiana nonprofit corporation, as lessor, and the Tipton Community School Corporation, Tipton County, Indiana, as lessee, with a maximum annual lease payment of \$527,000, for a lease term not to exceed twenty-one (21) years, pursuant to such lease, and pursuant to IC 20-46-7-8, requiring such approval, a recommendation was received from the School Property Tax Control Board.

The Department of Local Government Finance ("Department"), pursuant to Executive Order 05-19, has reviewed the proposed lease and the Project, and has applied the guidance set forth in the Guidance for Review of School Building Project Financing and the factors set forth in I.C. 20-46-7-11. The school has complied with the appropriate provisions of I.C. 6-1.1-20 and I.C. 20-46-7-8. After careful consideration of all facts, the Department of Local Government Finance takes the following action:

FINDINGS:

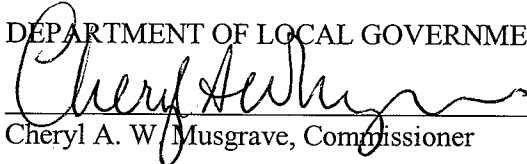
1. Tipton Community School Corporation is located in Tipton County, Indiana, and the school board is the duly organized entity responsible for the establishment and operation of Tipton Community School Corporation, Tipton County.
2. The purpose of the lease rental agreement is to:
 - a. Construct a new 13,306 square foot transportation center; and
 - b. Remodel the existing 7,202 square foot transportation center to be used as a storage center for bulk purchasing opportunities.
3. The total project cost, as presented to the Department of Local Government Finance, is \$5,000,000.
4. School officials properly advertised and held a preliminary determination hearing on July 10, 2007.
5. No application was filed for a petition or remonstrance.
6. Capital projects funds are not available for this project.
7. The school's debt to assessed value ratio is two and twenty-nine hundredths percent (2.29%), not including this project.

8. According to the Hearing Information Sheet submitted by the school corporation, the maximum property tax rate impact from this project is \$0.0840, or 8.4 cents, per \$100 of assessed valuation. This calculates out to a gross tax of \$43.68 a year on a \$100,000 house within the Tipton Community School Corporation taxing district.
9. The school corporation's current debt service tax rate is \$0.2184, or 21.8 cents, per \$100 of assessed valuation. This calculates out to a gross tax of \$113.57 a year on a \$100,000 house within the Tipton Community School Corporation taxing district.
10. Construction costs associated with the project are as follow:
 - a. Construction of the new Transportation Center: Construction cost per square foot is \$307.40; and
 - b. Remodel of Tipton Storage Center: Construction cost per square foot is \$23.66
11. The school officials failed to give an adequate explanation as to why this project would provide significant transportation cost savings to the school district. Also, this project has very little to do with improving the academics of students within the Tipton Community School Corporation.
12. The school property tax control board made a recommendation to approve the project with a vote of 5-2.

Based on the above findings, it is hereby ORDERED that Tipton Community School Corporation's petition for an Order approving a lease between the Tipton Community School Building Corporation, an Indiana nonprofit corporation, as lessor, and the Tipton Community School Corporation, Tipton County, Indiana, as lessee, with an annual lease payment not to exceed \$527,000, for a lease term not to exceed twenty-one (21) years, pursuant to such lease is hereby DENIED.

Dated this 2nd day of November, 2007.

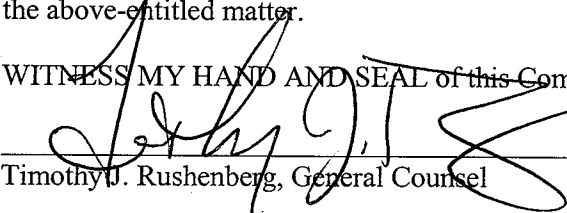
DEPARTMENT OF LOCAL GOVERNMENT FINANCE


Cheryl A. W. Musgrave, Commissioner

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE

I, Timothy J. Rushenberg, General Counsel for the Department of Local Government Finance, do hereby certify that the above is a full, true, and complete copy of the order of the Commissioner made this date in the above-entitled matter.

WITNESS MY HAND AND SEAL of this Commissioner on this 2nd day of November, 2007.


Timothy J. Rushenberg, General Counsel

Ind. Code 5-1-18, requires local units of government to provide debt information to the DLGF not later than December 31 of the year in which the bonds are issued or the lease is executed. In addition, local units of government are also required to annually (before March 1) provide the DLGF with information regarding their outstanding debt obligations. The documents that must be completed can be found on the DLGF website: http://www.in.gov/dlgf/rates/debt_reporting.html. Please submit completed documents electronically to data@dlgf.in.gov. Questions regarding these documents may be directed to Cheryl Prochaska at (317) 244-4480.